Question 8

HOW MUCH MONEY IS IN THE BUDGET FOR PAYMENT TO CONTRACT EMPLOYEES? SOME OF THE PEOPLE WHO HAD RELATIONSHIP TO THE CIA AND WHO WERE INVOLVED IN THE WATERGATE BURGLARY WERE SAID TO BE CONTRACT EMPLOYEES. IS THIS THE CASE? TO WHAT EXTENT ARE THE SAME CONTROLS PLACED ON YOUR CONTRACT EMPLOYEES AS ARE PLACED ON REGULAR STAFF EMPLOYEES?

Proposed Reply

24

The CIA budget for 1975 [76] includes $279.5 million for the salaries and benefits of 14,000 staff employees (end-of-year ceiling) and $32.6 million for the same expenses for 2,348 contract employees. 24 24

With respect to the relationship to the CIA of the seven individuals involved in the Watergate burglary, one of them at the time of the break-in was a part-time contract employee (Martinez), one was a former full-time contract employee (Barker), two were retired staff employees (Hunt and McCord). The remaining individuals (Liddy, Sturgis and Gonzalez) were never connected with CIA in any capacity. (See attached sheet for details on these seven individuals). [These facts have been set forth previously in the testimony of _______________ before _______________ and we believe members of the Appropriations Committee are fully aware of all significant developments in this area.]

Not all contract employees have the same type of contract. Some are subject to all the controls that are placed on regular staff employees. Others, however, are employed for a specific purpose, generally limited in time, for the use of their talents and/or disciplines in meeting a particular need of the Agency, and these are not all subject to all the controls which apply to full-time staff employees. Both Barker and Martinez were in this latter category of contract employees. The obligations of such contract employees are as stated in their contracts.

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Question 28

MR. DIRECTOR, WHEN YOU WERE BEFORE THE COMMITTEE LAST YEAR WE ASKED YOU TO OUTLINE FOR US THE PARTICIPATION IN THE WATERGATE BURGLARY AND THE SUBSEQUENT ATTEMPT TO COVER UP WHITE HOUSE INVOLVEMENT IN THAT BURGLARY AND YOU DID SO VERY WELL. HAS ANYTHING BEEN UNCOVERED IN THE YEAR SINCE YOU WERE HERE IN THIS AREA. HAS ANY FURTHER PARTICIPATION BY CIA PERSONNEL BEEN REVEALED.

Proposed Reply

A brief answer to this question is that there have been major developments regarding allegations of CIA participation in the Watergate burglary and the subsequent attempt to cover up White House involvement. However, as the definition of Watergate has been expanded to include other matters we have continued our rigorous attempts within the Agency to learn everything possible about any Agency personnel associations and correspondence on these developments. In line with this the following actions have been or are being taken.

a. Senator Baker's continuing requests for record searchs and files are being pursued.

b. Testimony of Agency personnel before the Senate Select Committee has been completed.

c. Requests for Agency documents and files for the Office of the Special Prosecutor are continuing to be supplied.

d. Requests for Agency documents and files for the Special Counsel of the Impeachment Committee are being honored.

Our search has not revealed the participation of any CIA personnel not previously identified.

16